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Committees  
Economic Development, Small  
Business and Regulatory Reform VC  
Families and Human Services VC  
Government Operations  
Health Policy

# The Jacobs Report

**FOR IMMEDIATE RELEASE**  
**Friday, April 9, 2004**

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## **GRANHOLM: CATCH GAS CHEATS**

In anticipation of the upcoming summer travel season, Governor Jennifer M. Granholm asked the Michigan Department of Agriculture (MDA) to step up its vigilance to protect Michigan consumers from unsavory pump charges as gas prices across the nation—including Michigan—continue to increase.

“As the price of gas continues to spiral upward, we must ensure that consumers are not victimized by those few, unscrupulous players who would take advantage of the situation,” Granholm said. “The vast majority of service stations in Michigan are small businesses who simply want to provide good service to their customers—we want to reinforce their good work by ensuring that a few unfair actions don’t give the entire industry a black eye.”

This week, the governor directed the Michigan Department of Agriculture to step up its enforcement of gas pump accuracy. The MDA ensures that pumps are accurate and that consumers are getting a full gallon of gas for every gallon they buy and that they receive the proper octane.

“Especially when the market is driving up the price of gas, consumers should be able to count on getting every drop of gas they buy,” said Granholm. “We’re working in partnership with Michigan’s gas stations to protect our citizens’ pocketbooks and to make certain there is a level playing field for station owners to compete.”

Granholm also announced that she joined other governors in pushing the federal government to investigate rapidly increasing gas prices.

“While we are going to be vigilant in protecting consumers, we are asking Washington to provide a complete and credible explanation on why prices have risen so significantly in the last several weeks,” Granholm added.

The governors asked for a clear and precise explanation of spiraling gas prices and asked the President to direct Attorney General Ashcroft or another appropriate federal authority to conduct a prompt and thorough inquiry on the issue of gasoline prices.

“Because the recent price increases have a ripple effect on other critical components of our

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economy, it is important that the public have an accurate and straight-forward explanation for the causes of the recent price spikes. This is a significant national concern, and it deserves more than the traditional Washington political response of pointing fingers,” the letter states.

Last year, the Governor issued Executive Directive 2003-6 which charged MDA and the Michigan Public Service Commission with tracking gasoline prices to help ensure Michigan families pay a fair price for gasoline and to refer any information about potential energy shortfalls to the energy advisory committee.

Average gas prices in Michigan are on pace to reach an all time high this summer. Michigan is experiencing average higher prices now than last August when the state had a major electrical blackout and lost production from its only major refinery for a number of days.

According to AAA Michigan, in January, the average price for a gallon of gas was \$1.60. In March, it jumped to \$1.72 per gallon, and the trend so far in April suggests a continuing up-swing in price with average price statewide as of April 5 reported at \$1.79 per gallon. This suggests a potential 19 cent increase in gas prices in three months.

The current statewide average of \$1.785 is 16.1 cents per gallon higher than last year’s average and sets a new record high for the month of April in Michigan, exceeding the earlier record of \$1.746 on April 23, 2001.

Citizens are reminded that they can report gas gouging online at [www.michigan.gov/gasprices](http://www.michigan.gov/gasprices) and gasoline quantity and quality complaints or concerns by calling the state’s toll-free hotline at 1-800-MDA-FUEL.

#### **PUBLIC SERVICE COMMISSION ORDERS BLACKOUT PROTECTIONS**

This week, the Michigan Public Service Commission (MPSC) issued an order requiring electric companies in Michigan to review and, if necessary, make operating changes to avoid future power disruptions such as those that occurred during the Aug. 14, 2003 blackout.

The MPSC order follows the release of the final report by the U.S.-Canada Power System Outage Task Force on the blackout.

The report found that the sensitivity of various relay settings on the transmission system contributed to the spread of the cascading blackout. However, the report also notes that the relays were not intended to protect systems other than their own. The appropriate relay setting is a new concern that had not been previously identified in the U.S.-Canada interim report released on Nov. 18, 2003.

“We previously concluded that Michigan’s electrical companies did not cause the August 14 blackout, and the bi-national report released today verifies that,” notes MPSC Chair J. Peter Lark. “But today’s final report identifies a new concern with the operation of electric transmission relays in Michigan and Ohio. The Michigan Public Service Commission intends to make sure that these relays do not play a part in any potential future blackouts. That is why we

are directing Michigan electric companies to analyze their relay settings and make any necessary corrections.

“Today’s order directs all electric utilities and transmission companies operating in Michigan to analyze and, if necessary, make operating changes to their impedance relay settings to minimize the likelihood of future cascading outages. The utilities and transmission companies are directed to submit reports on their findings and actions by May 10. These reports should also include responses to the findings of the bi-national report, especially related to impedance relay settings.

“My colleagues and I will continue to review the bi-national report and may seek additional information and issue further orders,” Lark added. “We want to make sure that Michigan’s utility and transmission companies have taken all steps possible to reduce the likelihood of future power disruptions and to enhance electric reliability in Michigan.”

The MPSC is an agency within the Department of Labor & Economic Growth.

**TOP FIVE ISSUES OF THE WEEK** (as tabulated from e-mails, letters and telephone calls)

1. Teacher Retirement System

*Update: The school aid appropriations budget bill (SB 1069) containing language for the consolidation study is currently in the House Committee on Appropriations. A hearing is expected during the week of April 19<sup>th</sup>.*

2. Sex Ed

*A vast majority of respondents have voiced opposition to the GOP abstinence plan. SBs 943 & 944 await consideration before the full Senate—likely during the week of April 19<sup>th</sup>.*

3. PA 141

*Michigan works to avoid a “California-like energy crisis.” Please see above PSC article.*

4. Refusal of Care Bills

*House Bills 5006, 5276, 5277 and 5278 would allow doctors and pharmacists to refuse treatment when they choose to do so for religious reasons. We have received two e-mails in support of this package and hundreds against it.*

5. Dove Hunting Bill

*HB 5029 has passed both chambers of the legislature, but without the referendum language necessary for the governor’s support.*

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

**State Senator Gilda Jacobs** represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

**Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.**

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